

NATIONAL CANNERS ASSOCIATION INFORMATION LETTER

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TAX PROPOSED ON CANNED FOODS

A manufacturers' sales tax on canned foods of 2 per cent or more is proposed in the revenue bill now under consideration by the Ways and Means Committee of the House, despite the reported statement by the acting chairman of the Committee to the effect that the proposed measure "would impose no tax on the poor man's table."

When this proposal became known the Association immediately made representations to the subcommittee having charge of the sales tax feature of the revenue bill, pointing out the committee's error in assuming that canned foods are not staple articles of diet in the average American home, as are other foods which the committee proposes to exempt from the tax.

State canners' associations were advised to acquaint their members with the committee's program, so that both canners and growers who are dependent upon the industry for their market might communicate their views to their representatives in Congress.

Representative Rainey, head of the sales tax subcommittee, in reply to protests made by canners, requested that representatives of the industry personally appear before him. On Friday, March 4th, President Marc C. Hutchinson and former presidents Frank Gerber and Harry L. Cannon called on Mr. Rainey and presented the views of the industry. They pointed out that the proposed tax on canned foods would not only be a tax on staple articles used in the average American home, but that it would also be an unfair and unjustified discrimination between canned foods and other commonly used food staples on which the committee proposes to place no tax.

It is expected that the Ways and Means Committee will report the revenue bill to the House early in the week of March 7th.

SENATE PASSES PERISHABLE AGRICULTURAL COMMODITIES ACT AMENDMENT

The Senate on March 2nd passed the bill (S. 2827), introduced by Senator Goldsborough of Maryland, which would so define the term "dealer" in the Perishable Agricultural Commodities Act that canners buying fruits and vegetables for canning

and/or processing within the state wherein they are grown will not be required to take out a license, whether or not the canned or processed product is to be shipped in interstate or foreign commerce.

The bill now goes to the House.

THOUSANDS ASK FOR LITERATURE ON CANNED FOODS

Between February 7 and the end of that month the National Canners Association received requests for over 37,000 of its publications that have been offered in advertisements appearing in magazines and newspapers. Requests have come from every part of the United States, and some from foreign countries. In addition, numerous letters have been received asking questions about the industry and its products.

PLAN FOR ADDED MEMBERSHIP SERVICE DRAFTED

The special committee authorized by the Board of Directors at its meeting in Chicago in January to consider the matter of added service to the membership of the Association in connection with damage claims arising from consumer complaints, met at Washington on March 3d and completed a tentative draft of the entire plan for submittal to the Administrative Council. It is hoped that this added service for the membership will soon be inaugurated, at which time the membership of the Association will be fully advised as to its character and scope.

CROP PRODUCTION LOANS

Since the publication of an article in Information Letter No. 443 on seed loans, the Association has received the following communication from Mr. Henry S. Clarke, National Director of Crop Production Loans for 1932:

Reference is made to the questions raised by the National Canners Association with regard to the status of the advances made by canners to farmers, which farmers subsequently borrow money from this Department under the provisions of the so-called Seed Loan Act.

This matter was discussed by you with the writer and Mr. Wenchel, of the Solicitor's office, with the understanding that the following points would be submitted to you, for reference to the canners, as a basis for a working arrangement. Conformably with this understanding I am submitting to you a memorandum of this proposed form of procedure.

At the time the canners enter into contracts with the various farmers there is to be stamped on the contract a legend authorizing the canners to make payment of the monies due under the contract to the farmers to the Department of Agriculture to the extent of the farmers' indebtedness to the Department on account of monies furnished by the Department.

(2) Lists are to be furnished by the canners to the applicable Seed Loan Office of persons who have received advances or funds from the canners, and the purpose for which the advances were made. In this way the

Department will have an opportunity to check on the application of the proposed borrower and no money will be loaned to him on account of crops to be raised under contract with the canner.

(3) Prior to payments being made by the cannery the Department will furnish the several cannery a list of all farmers indebted to the United States, and the amounts of such indebtedness. The canner will deduct the amount of his advance to the farmer and remit the balance to the extent of the Government loan to the Department of Agriculture.

It is suggested that you submit the above outline to your associates for any suggestions they may have. In the meantime I shall submit the matter to the Secretary for his consideration so that upon receipt of a reply from your associates the Secretary will be familiar with the whole situation.

Copies of the regulations relative to loans for crop producers during 1932, issued recently by the Secretary of Agriculture, may be obtained from the Farmer's Seed Loan Office, U. S. Department of Agriculture, Washington, D. C., or from the National Cannery Association.

TARIFF INVESTIGATION ON SARDINES ASKED

The Seacoast Canning Company, Lubec, Maine, on February 29, 1932, filed with the U. S. Tariff Commission application for an investigation under the provisions of Section 336 of the Tariff Act of 1930, for an increase of duty on sardines packed in oil.

AUSTRALIA REMOVES IMPORT PROHIBITION ON CANNED MEATS AND MILK

The recently elected Australian Government, which had previously declared itself in favor of a removal of import prohibitions, has repealed the restrictions on the importation of certain items, including canned meats and milk, with provisional effect from February 26, 1932, according to a cablegram received by the Department of Commerce from its trade commissioner at Sidney.

UNSOLD STOCKS OF CANNED SALMON ON DECEMBER 31

The Association of Pacific Fisheries reports that unsold stocks of canned salmon on December 31, 1931, as based upon reports of cannery who packed approximately 85 per cent of the 1931 pack, amounted to 2,968,427 cases. These stocks consisted of the following items: Pinks, 59 per cent; Alaska reds, 19 per cent; cohoes, silvers or medium reds, 8 per cent; chinooks or kings, 6 per cent; chums, 6 per cent; and Puget Sound sockeyes, bluebacks and steelheads, the remaining 2 per cent.

TRUCK CROP SHIPMENTS

Combined forwardings of 27 fruits and vegetables during

the week ended February 27 increased to about 16,810 cars, compared with 17,510 during the same week last season.

Asparagus has begun to move in small lots from a number of southern producing sections.

Strawberry movement from Louisiana decreased temporarily to 25 cars, but should soon be very active, as the Louisiana berries are ripening fast. Florida shipments last week decreased to 105 cars. Florida snap bean shipments decreased to 175 cars for the week, while Texas originated 20 cars. Imports totaled only 30 carloads. Tomato movement from Florida increased to nearly 300 cars, compared with 140 cars during the same week last season. Imports from Cuba increased to 70 carloads, while arrivals from Mexico dropped to about 70 cars. Spinach shipments from southern Texas increased greatly to 505 cars.

CARLOT SHIPMENTS

Commodity	Feb. 21-27 1932	Feb. 14-20 1932	Feb. 22-28 1931	Total this season thru Feb. 27	Total last season thru Feb. 28	Total last season
Apples, total	1,639	1,948	1,887	87,918	98,058	100,794
Western states	910	1,148	1,188	38,594	57,773	66,538
Eastern states	729	800	699	49,324	40,285	43,256
Beans, snap and lima:						
Domestic	195	213	78	5,206	2,063	9,341
Imports	30	31	12	309	125	190
Beets	63	28	75	516	441	1,632
Cabbage:						
1932 season	473	422	673	4,737	5,587	37,357
1931 season	153	216	130	37,357	37,723	38,204
Carrots:						
1932 season—						
Domestic	211	156	282	2,744	4,053	11,141
Imports	7	7	0	19	0	0
1931 season	61	83	50	11,141	11,647	12,437
Cauliflower	404	196	197	7,076	7,270	9,611
Mixed vegetables:						
Domestic	802	638	757	5,648	6,196	28,480
Imports	4	0	14	70	166	296
Pears	32	26	66	19,557	28,207	28,821
Peas, green:						
Domestic	15	16	48	460	1,037	7,175
Imports	117	72	143	988	1,256	1,844
Peppers:						
Domestic	91	107	94	1,095	1,029	2,810
Imports	4	10	10	61	201	360
Spinach	595	233	373	4,725	5,741	9,796
Tomatoes:						
Domestic	206	205	139	1,099	1,380	27,848
Imports	142	182	323	1,066	2,090	5,983

FARM PRICES

The index of the general level of farm prices on February 15 stood at 60 per cent of the 1910-1914 average. This represents a decline of three points from the January 15 level and a new low point from the index.

BUSINESS INDICATORS

(Weeks ended Saturday; weekly average 1923-1925=100)

	1932			1931		1930	
	Feb. 27	Feb. 20	Feb. 13	Feb. 28	Feb. 21	Mar. 1	Feb. 22
Composite Index:*							
New York Times		261.2	162.3	76.8	76.7	94.4	95.3
Business Week		59.3	160.5	77.9	78.3	95.6	90.7
Freight car loadings		59.7	58.7	71.1	74.5	93.8	86.3
Wholesale prices (Fisher's):							
All commodities	63.7	63.7	63.6	75.8	75.8	91.9	92.2
Agricultural products	46.2	46.2	45.9	67.3	67.8	98.7	90.2
Non-agricultural products	67.0	67.0	67.1	78.3	78.1	88.9	89.3
Bank debits outside N. Y. City	57.9	68.5	64.7	83.4	94.6	100.0	130.7
Bond prices	89.1	88.5	87.4	107.6	107.5	105.0	104.8
Stock prices	76.4	70.2	71.6	174.4	170.0	228.7	229.4
Interest rates:							
Call money	60.6	60.6	60.6	36.4	36.4	106.1	100.1
Time money	85.7	85.7	84.1	45.7	45.7	111.4	111.4
Business failures	156.5	184.5	170.3	161.9	177.4	129.2	143.7

* Relative to a computed normal taken as 100.

† Revised.

CAR LOADINGS

	Total	Miscellaneous	Merchandise L. C. L.	Other
Week ended February 20	572,006	183,858	188,077	200,671
Previous week	562,465	185,927	186,569	189,969
Corresponding week, 1931	713,156	250,948	215,446	246,762
Corresponding week, 1930	827,560	309,413	219,430	298,717

SOVIET CANNING INDUSTRY AND TRADE

A circular has been prepared by the Division of Regional Information of the Department of Commerce, from official Russian publications, containing information on the canning industry in pre-war Russia, the Soviet canning industry in the Russian Far East, the five-year plan for the canning industry, etc. Interested American firms may secure a copy upon application to the Foodstuffs Division of the Bureau of Foreign and Domestic Commerce at Washington, D. C.

ORIGIN OF FISH IMPORTANT IN SOUTH CHINA

Due to the Japanese boycott which became effective in October, Hong Kong fish importers are looking for new suppliers, according to information submitted to the Department of Commerce by the assistant trade commissioner at Hong Kong.

Considerable trouble has been experienced in the coast cities of South China in proving to the dealers' satisfaction the origin of Canadian and American fish. Importers are now endeavoring to obtain some sort of certificate of origin which they in turn can show to their dealers or have posted outside their warehouses.

Nearly a quarter of a million gold dollars worth a year of marine products are exported from the United States to the British Colony of Hong Kong, where in turn they are distributed to the South China trade centers.

KRAUT CABBAGE STANDARDS ANNOUNCED

U. S. standards for cabbage for sauer kraut manufacture have been announced by the Bureau of Agricultural Economics of the U. S. Department of Agriculture. Its explanation of the bases of the standards and the text of the grades and definitions of terms follow:

Grades for cabbage for sauer kraut manufacture which provide a definite basis for contracts between the manufacturer and the grower should meet with favor. Such grades must recognize variations in commercial value and still be simple enough to be practical in actual operation.

Buying and selling on grade will encourage better production and better handling. The practice of paying a flat price for all cabbage which is accepted discriminates against the best growers. The grower should be paid a suitable premium for stock of high quality which will make a high quality manufactured product. Such stock can be manufactured at a minimum cost. On the other hand there should be a suitable penalty for the delivery of culls.

It should be understood at the outset that in the application of these grades the only sorting required of the grower is the removal of culls. Such cabbage should be left in the field. These grades provide a basis for sampling the cabbage as it is delivered to the factory and with a sufficient premium paid for U. S. No. 1 cabbage over that paid for U. S. No. 2, it will be to the advantage of the grower to increase the percentage of U. S. No. 1 cabbage and to decrease the percentage of U. S. No. 2 by careful growing and harvesting practices.

The following example illustrates how these grades may be used as a basis for contract between manufacturer and grower.

Suppose the contract specifies \$10.00 per ton for U. S. No. 1 cabbage and \$6.00 per ton for U. S. No. 2 and nothing for culls.

The inspector takes a sample from a load of 2,000 pounds of cabbage and obtains the following results based upon his inspection:

80 per cent of U. S. No. 1 heads
15 per cent of U. S. No. 2 heads
5 per cent of cull heads

The prices for the whole load would be determined as follows: 80 per cent of 2,000 pounds equals 1,600 pounds of U. S. No. 1 cabbage, which at \$10.00 per ton equals \$8.00; 15 per cent of 2,000 pounds equals 300 pounds of U. S. No. 2 cabbage, which at \$6.00 per ton equals \$0.90.

\$8.00 for the No. 1's plus \$0.90 for the No. 2's equals \$8.90, which will be the price paid for the ton of cabbage delivered.

The foregoing prices are used for illustrative purposes only.

Attention is specifically called to the fact that in these grades there are no tolerances for defects. The reason for this is that the inspection report will show the exact percentages of U. S. No. 1's, U. S. No. 2's and culls for each load. It is therefore suggested that when the grades are used as a basis for sales to distant buyers, the seller should describe the quality by quoting the percentage of each grade of cabbage in the shipment. For example, a shipper may quote "90 per cent U. S. No. 1, remainder U. S. No. 2," or "85 per cent U. S. No. 1—2 per cent culls, remainder U. S. No. 2," in accordance with the facts. Such quotations should give the distant buyer a picture of the quality of cabbage in the shipment.

The application of these grades requires the services of private or official inspectors to determine and report the percentages of U. S. No. 1, U. S. No. 2, and cull cabbage in each load. Such inspectors must be capable, efficient, and above all they must be absolutely neutral.

GRADES

U. S. No. 1 shall consist of heads of cabbage which are firm and closely trimmed; which are free from seedstems, bursting, and from damage caused by decay, discoloration, freezing, disease, birds, insects, mechanical or other means. Unless otherwise specified, the weight of each head of cabbage shall be not less than 3 pounds.

U. S. No. 2 shall consist of heads of cabbage which are not soft; which are fairly well trimmed, free from seedstems and from damage caused by decay, discoloration, bursting, freezing, disease, birds, insects, mechanical or other means. Unless otherwise specified, the weight of each head shall be not less than 2 pounds.

Culls are heads of cabbage which do not meet the requirements of either of the foregoing grades.

DEFINITIONS OF TERMS

As used in these grades:

"Closely trimmed" means that the head shall be free from loose outer leaves and the stem shall be not longer than one-half inch.

"Seedstems" means those heads which have seed stalks showing or in which the formation of seed stalks has plainly begun.

"Soft" means loosely formed or lacking compactness.

"Damage" means any injury which materially affects the shipping quality or causes appreciable waste in the ordinary preparation for use. Burst heads shall not be considered as damaged unless the bursting extends more than one-fourth of the distance through the head or unless the exposed parts of the inner leaves have become green or show other discoloration or decay.

VIRUS DISEASE OF BLACK RASPBERRIES

In Bulletin No. 601, a pamphlet of eight pages, the New York State Agricultural Experiment Station at Geneva gives the results of virus disease control experiments in black raspberry plantings in 1931. It is the conclusion from these experiments that control will probably depend more on the proper isolation of plantings from diseased raspberries than on any other factor.

SEED DUSTING INCREASED YIELD OF CORN

Treating seed corn with dust disinfectants increased the yield from the average farmer's seed three bushels an acre in Illinois, 11 years of experiment by the U. S. Department of Agriculture and the Illinois Agricultural Experiment Station show.

A summary of these tests with different seed disinfectants appears in Technical Bulletin 260-T, "Results of Seed-Treatment Experiments with Yellow Dent Corn," just issued by the department.

The bulletin says that with well-selected lots of seed under proper storage conditions, seed treatment was found to be as effective as the germination tests in increasing yields. Dust treatments have entirely replaced the liquid disinfectants used at the start of the experiments.

The dust treatments effectively controlled *Diplodia* and *Gibberella*, two of the ear rots most common in well-selected seed. The treatments also gave partial protection against soil-borne diseases.

The experiments showed that the dust treatments helped prevent lodging in cases where the lodging was the result of the weakening of the corn in the seedling stage as the result of disease.

Results showed that seed treatment increased the yield more on corn grown on productive soil than it did on corn grown on poorer soil. This treatment in many cases not only increased the stand, but also increased the proportion of strong, vigorous plants.

A copy of Technical Bulletin 260-T, which was written by J. R. Holbert of the department and Benjamin Koehler of the Illinois Agricultural Experiment Station, may be obtained on request to the Office of Information, U. S. Department of Agriculture, Washington, D. C.

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